

EVERETT CITY COUNCIL AGENDA ITEM COVER SHEET

PROJECT TITLE:

Authorize Mayor to execute a
Memorandum of
Understanding with the Everett
Housing Authority concerning
the Choice Neighborhoods
Initiative

_____ Briefing
_____ Proposed Action
_____ Consent
2-3-16 Action
_____ First Reading
_____ Second Reading
_____ Third Reading
_____ Public Hearing

COUNCIL BILL # _____
Originating Department Planning
Contact Person Allan Giffen
Phone Number (425) 257-8725
FOR AGENDA OF 2/3/16

Initialed by:

Department Head _____

CAA _____

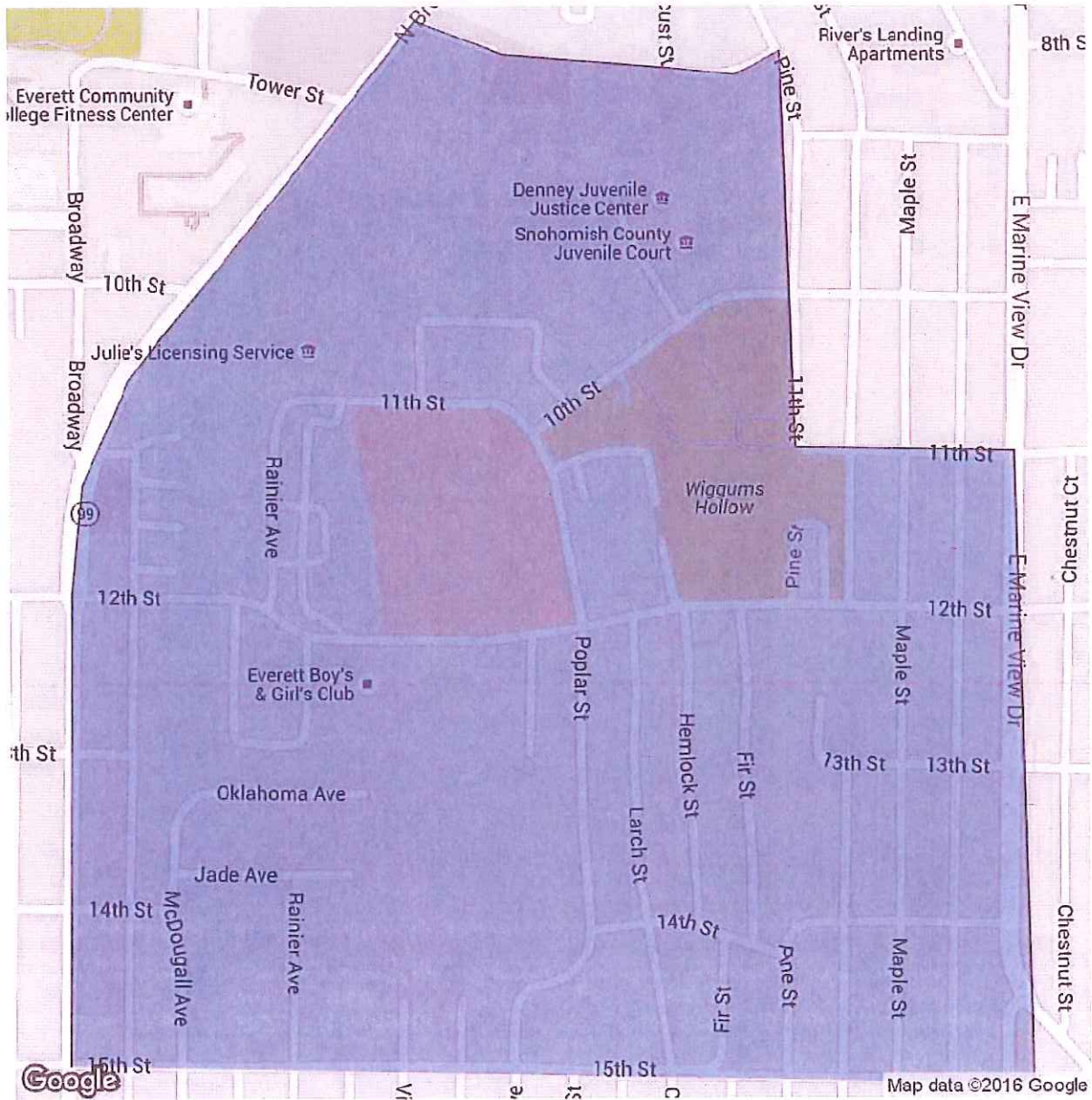
Council President 

<u>Location</u>	<u>Preceding Action</u>	<u>Attachments</u>	<u>Department(s) Approval</u>
Portion of the Delta Neighborhood	N/A	Memorandum of Understanding	Planning, Legal

Amount Budgeted	-0-	
Expenditure Required	-0-	Account Number(s):
Budget Remaining	-0-	
Additional Required	-0-	

DETAILED SUMMARY STATEMENT: The City has been working with the Everett Housing Authority (EHA) to prepare a planning grant application under the US Department of Housing and Urban Development Choice Neighborhoods Initiative program. A memorandum of understanding between the applicant (EHA) and co-applicant (City) is required for the application. The planning grant would fund a substantial planning effort for the land use, housing and related planning needs for an area within the Delta Neighborhood (see attached map).

RECOMMENDATION (Exact action requested of Council): Authorize Mayor to execute a Memorandum of Understanding with the Everett Housing Authority concerning the Choice Neighborhoods Initiative



Memorandum of Understanding (MOU)
Between
The Housing Authority of the City of Everett (EHA)
And
The City of Everett (City)

This Choice Neighborhoods Initiative (“CNI”) Memorandum of Understanding (MOU) is entered into as of the 26th day of January, 2016, between the Housing Authority of the City of Everett (EHA) and the City of Everett (City), each individually referred to herein as “Party” and collectively referred to herein as the “Parties”. As identified by HUD in Funding Opportunity Number FR-5900-N-14, Choice Neighborhoods Planning Grants and Planning and Action Grants Program, the purpose of this MOU is to demonstrate a commitment by the Parties to work collaboratively throughout the entirety of the grant, and to identify which party will serve as Lead Applicant.

WHEREAS

- A. The United States Department of Housing and Urban Development (“HUD”) established the Choice Neighborhoods Initiative (“CNI”) program to support locally driven solutions for transforming distressed neighborhoods using place-based strategies to address the interconnected challenges of poor quality housing, inadequate schools, poor health, high crime and lack of capital. Choice Neighborhoods is HUD’s signature place-based initiative in support of the President’s goal to build Ladders of Opportunity to the middle class.
- B. The Parties are committed to revitalizing Everett’s Hawthorne neighborhood, a severely distressed community in north Everett, and pledge to work together in transparent and collaborative ways to the benefit of Hawthorne residents, the community, and the City at large.
- C. On or before February 9, 2016, EHA and the City are submitting an application (the “Application”) to HUD as Lead Applicant and Co-Applicant respectively for a CNI Planning Action Activities Grant (the “Grant”) in accordance with the FY2015/FY2016 Choice Neighborhoods program for Planning Grants and Action Grants. In accordance with CNI requirements, as Co-Applicant, the City will be jointly responsible with EHA, as Lead Applicant, for performance of the Grant.
- D. At the time of grant award, this MOU and any further clarifications by the Parties and/or HUD will be incorporated into the CNI Grant Agreement with HUD that will be acceptable to all parties.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing recitals and underlying promises, which the parties agree to be good and valuable consideration, and in compliance with the requirements of the NOFA, the Parties agree and certify as follows:

I. Commitments of EHA and the City

A) Commitment to the Transformation Plan and Implementation Schedule. EHA and the City each acknowledge and certify that they:

- i) Have reviewed the FY2015/FY2016 CNI Planning Grants NOFA;
- ii) Are fully committed to the goals and requirements of the NOFA, the Application, the requirements of the Grant, and this Agreement;
- iii) Will take all actions necessary to effectuate the requirements of the Grant, if awarded, in accordance with HUD requirements; and
- iv) Will participate in the program administration and the evaluation process as required by HUD.

B) Commitment to Work Collaboratively. EHA and the City acknowledge and certify their commitment to work collaboratively throughout the entirety of the Grant period and to work cooperatively toward the successful achievement of the Grant's goals and programs.

C) Incorporation of NOFA and Grant Agreement Requirements. The parties intend that this Agreement shall conform to and satisfy all requirements of the NOFA. In the event of any inconsistency between any NOFA requirement and the provisions of this Agreement, then this Agreement shall be construed to incorporate a provision satisfying such NOFA requirement(s). In addition, the parties agree to amend this Agreement to comply with the provisions of the HUD Grant Agreement, if necessary, should a Grant be awarded.

D) Planning Activities. The Parties will work collaboratively with stakeholders, residents and the community at large to meet the requirements of the grant including: 1) Conduct a household-level needs assessment of the public housing residents at the Baker Heights public housing development within the first 12 months of the grant. In addition, existing data will be evaluated to include ACS survey data, police reports, healthcare agency information, schools reports, research surveys and other documentation. 2) Carry out the relocation strategy for Baker Heights, the process for which is currently being developed through the Section 18 demolition application to HUD. 3) Conduct a market assessment of the neighborhood by an independent third party. 4) Identify the master developer that will implement the housing component of the Transformation Plan. 5) Complete a Phase I environmental assessment. 6) Submit the information received from State Historic Preservation Officer regarding potential for negative effects of the demolition of Baker Heights. 7) If awarded more than \$500,000, propose Action Activities, which are described in the next paragraph.

E) Action Activities. If awarded funding for Action Activities, the Parties will work collaboratively with stakeholders including resident and community organizations, to identify and implement Action Activities, in accordance with the CNI NOFA. Action Activity funds are flexible funds that must be responsive to the neighborhoods' needs. They must be used for physical, community, or economic development projects that enhance and accelerate the transformation of the neighborhood. The projects funded may also build community capacity and social cohesion through the way in which the projects are designed, led, and implemented. Action Activities funds are for physical improvements, and must not be used for non-physical uses, such as supportive services, staffing, and marketing. These funds must also not be used for basic infrastructure or as a substitute for basic municipal services. Additionally, funds must not be used for redevelopment of the public housing targeted in this application, including acquisition, relocation, demolition and remediation, rehabilitation, or construction of the targeted housing. These funds will be used for innovative solutions to neighborhood challenges and must be used for projects that can be completed within the three-year time frame. Uses of funds are limited to:

- a. Reclaiming and recycling vacant property into community gardens, pocket parks, farmers markets, or land banking (with maintenance);

- b. Beautification, placemaking, and community arts projects, such as creative signage to enhance neighborhood branding, murals and sculptures, specialty streetscaping, or garden tool loan programs;
- c. Homeowner and business façade improvement programs;
- d. Neighborhood broadband/Wi-Fi;
- e. Fresh food initiatives, such as farmers markets and mobile fresh food vendors; and
- f. Gap financing for economic development projects.

II. Responsibilities of the Housing Authority of the City of Everett

A) Lead Applicant. EHA shall be the Lead Applicant for the Grant and will carry out all responsibilities required of the Lead Applicant as described in the NOFA and the Grant Agreement.

B) Lead Applicant Responsibilities. EHA will be principally responsible for:

- (1) Sole access to the CNI Program funding through HUD's LOCCS, and responsible for the administration of the funds disbursed from HUD under the Grant Agreement. EHA shall comply with all of the accounting, disbursement, and recordkeeping requirements set forth in the Grant Agreement;
- (2) Preparation and disbursement of the Grant funds, subject to HUD review and approval;
- (3) Reporting and submitting all required documents and reports to HUD, including financial, management and project status activity reports;
- (4) Providing staff support during the entirety of the grant period.

C) Site Control. EHA owns Baker Heights, a severely distressed conventional public housing property located in the Hawthorne neighborhood footprint.

II. Responsibilities of the City

A) Co-Applicant. The City, as Co-Applicant, agrees that it will work collaboratively and cooperate with EHA, the Lead Applicant, for performance of the Grant.

III. Term of This Agreement

This Agreement shall commence on the Effective Date and shall continue until the end date of the Grant as provided in the Grant Agreement. It is understood and acknowledged by the parties that the services described above are expected to be completed within this time period provided, however, in the event the Parties are not selected for a CNI Grant for funding year FY2015/2016, then either Party may terminate its involvement in this Agreement by written notice and the entire Agreement shall thereafter terminate. Additionally, the Parties may renew or otherwise extend this Agreement in accordance with applicable law at any time.

IV. Termination of This Agreement

A) Termination for Cause. The parties shall each have the right to terminate this Agreement for cause, effective within thirty (30) days after the receipt of written notice by the other party of its intent to terminate and the reasons therefore. A party shall have the opportunity to respond to the written notice within five (5) business days after the receipt of said notice. A party shall have the opportunity to cure any breach of this Agreement or other cause forming the basis of the termination, as provided in the written

notice, within fifteen (15) business days after receipt of the written notice, or as otherwise agreed to by the parties.

B) Survival of Certain Provisions. All representations and warranties and all responsibilities regarding record retention, access and ownership, cooperation with OIG investigations, indemnification and payment for services rendered shall survive the termination of this Agreement and continue in full force and effect.

V. General Provisions

A) Governing Law of Washington. This Agreement shall be construed and enforced in accordance with the laws of the State of Washington, without regard to conflicts of law provisions.

B) Indemnification. Neither party to this Agreement shall be required to indemnify the other party to this Agreement for any claim, action, liability, or loss that results from or arises out of any actual or alleged act or omission in performance of the Services by any party.

C) No Assignment without Consent. This Agreement is personal to each of the Parties hereto, and no Party may assign or delegate any rights or obligations hereunder without first obtaining the written consent of the other Party.

D) Notice. Any notice, demand, communication, or request required or permitted hereunder shall be in writing and delivered in person or by certified mail, return receipt requested, as follows:

If to EHA: Ashley Lommers-Johnson
Housing Authority of the City of Everett
3107 Colby Avenue
Everett, WA 98201

If to the City: Ray Stephanson, Mayor
City of Everett
2930 Wetmore Avenue
Everett, WA 98201

Notices shall be effective when received by each of the above-referenced individuals at the addresses specified above. Each party shall be responsible for notifying the other in writing that references this Agreement of any changes in the respective addresses set forth above. Nothing contained in this Article shall be construed to restrict the transmission of routine communications between and among representatives of the parties.

E) Amendment. No amendment of or modification to this Agreement shall be valid unless and until executed in writing by the duly authorized representatives of both Parties to this Agreement.

F) No Third-Party Beneficiaries. This Agreement is entered into for the exclusive benefit of the parties, and the parties expressly disclaim any intent to benefit anyone not a party hereto.

G) Time is of the Essence. The parties each acknowledge and agree that time is of the essence in the performance of this Agreement.

H) Examination and Retention of Records. The Parties acknowledge and agree that HUD, or the Comptroller General of the United States, or any of their duly authorized representatives shall, until three

(3) years after close-out of the Grant, have access to and the right to examine any of either party's directly pertinent books, documents, papers, or other records involving transactions related to this contract for the purpose of making audit, examination, excerpts, and transcriptions. The periods of access and examination for records relating to disputes or litigation to which HUD, or the Comptroller General or any of their duly authorized representatives has taken exception shall continue until disposition of such disputes or litigation.

I) Opportunities for Low Income and Very Low Income People. Each Party hereto certifies that it is committed to fully implementing the requirements of Section 3 and to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

J) Opportunities for Minority Firms, Women's Business Enterprises, and Labor Surplus Area Firms. Each Party hereto certifies that it is committed to take all necessary affirmative steps to assure that minority firms, women's business enterprises, and labor surplus area firms are involved in the Action Activities. Affirmative steps shall include:

1. Placing qualified small and minority businesses and women's business enterprises on solicitation lists for work required by the Action Activities Plan;
2. Assuring that small and minority businesses, and women's business enterprises are solicited whenever they are potential sources to perform services or provide supplies related to the Action Activities Plan;
3. Dividing total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women's business enterprises;
4. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business, and women's business enterprises;
5. Using the services and assistance of the Small Business Administration, and the Minority Business Development Agency of the Department of Commerce to promote the involvement of minority firms, women's business enterprises, and labor surplus area firms.

IN WITNESS WHEREOF, the parties have duly executed this CNI MOU, on or as of the date first written above.

EHA: HOUSING AUTHORITY OF THE CITY OF EVERETT

By: _____
Name: Ashley Lommers-Johnson
Title: Executive Director

CITY: CITY OF EVERETT WASHINGTON

By: _____
Name: Ray Stephanson
Title: Mayor